

A RESOLUTION

23-462

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 7, 2020

To declare the existence of an emergency with respect to the need to provide immediate financial assistance to eligible businesses for the purposes of recovering from the public health emergency.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Business Support Grants Emergency Declaration Resolution of 2020”.

Sec. 2. (a) On March 11, 2020, the Mayor issued Mayor’s Order 2020-046, declaring a public health emergency in the District due to the imminent threat to the health, safety, and welfare of District residents and businesses posed by COVID-19.

(b) As a result of the public health emergency, businesses across the District were forced to close or reduce operations to prevent the spread of COVID-19. Even now, as the District enters the next phases of the Reopen DC Plan, many businesses are restricted in their operations and many face permanent closure without immediate government assistance.

(c) One in every 4 businesses in the District face permanent closure, many of which are small and minority-owned businesses.

(d) Since the public health emergency began, businesses in the District have experienced among the largest share of revenue loss in the nation. Compared to early January, small businesses in the District, North Dakota, and Hawaii have experienced a revenue loss of over 60% on average since the March 13 declaration of the national emergency.

(e) Although the District, along with Florida and Nevada are among the most exposed to a small business revenue impact having experienced declines in revenue of over 50%, all 3 continue to have massive Paycheck Protection Program application backlogs, with fewer than 40% of applicants having received a loan.

(f) Recent scholarship, such as works from Brookings or the Center for Equitable Growth, highlight how investing in certain at-risk industry sectors is essential to economic recovery. The grants provided for in the emergency legislation are not only to assist businesses during recovery of the COVID-19 pandemic, but also, as the District and its businesses look to recover, to aid in restoring the District’s local economy. The District must take immediate steps to remedy the harm that will befall businesses that fall within these categories as a result of this crisis.

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(g) Unfortunately, to date, both local and federal programs designed to assist small businesses are either not reaching businesses that qualify as eligible businesses or will not be enough to sustain them throughout the duration of the COVID-19 crisis. At the federal level, Congress allocated an initial \$350 billion to the Small Business Administration to issue loans of up to \$10 million per business and up to \$10,000 in emergency grants to cover operating expenses. Out of the \$2.2 trillion coronavirus relief bill, Congress allocated just \$10 million to the Minority Business Development Agency to support minority-owned firms, not even one percent of relief assistance.

(h) The Mayor's ReOpenDC Plan included a recommendation, to "[a]ddress the underlying structural disparities that contribute to racial/socioeconomic inequities in DC pre COVID-19, including access to capital and access to markets." The emergency legislation is essential in ensuring that equity is at the forefront in supporting local and historically underserved businesses and at-risk businesses within key industries.

(i) Emergency legislation is needed to ensure equitable recovery and that the businesses that help sustain the local economy and add to its cultural vibrancy are able to reopen and survive the pandemic.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Business Support Grants Emergency Amendment Act of 2020 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.